Tools in Your Tool Belt for Effective Formulary Management

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Objectives

- **Describe current DoD formulary management tools that can be utilized at MTFs**
- **Describe how current UF decisions can be utilized at local MTFs to manage local formularies**
- **Identify other formulary management tools and strategies that can be utilized by your MTF to effectively manage your formulary**

Overall Objective

- **Identify how to incorporate all the tools and information presented at this conference to positively impact your local P&T Committee.**
- **Informal survey and discussion of attendees to see what tools they utilize at their MTF.**

DoD Formulary Management Tools

- Three Tier Copays
- Generic Policy
- Quantity Limits
- Prior Authorization Criteria
- Medical Necessity Criteria

Three Tier Copay

- **You may say to yourself at the MTF: "This really doesn't apply to MTFs due to no copay at MTFs - so who cares!"**
- **It is important to know the whole benefit: communicate with the beneficiaries about their options; direct them to the best choice for them as well as the DoD for agents that are not carried on the local formulary.**
  - **$3 for generic; $9 for Formulary (known as brand name products); $22 for Non-Formulary agents**
  - **Patient may obtain up to a 90 day supply for one copay in TMOP and up to a 30 day supply for one copay in Retail Network.**
  - **This makes TMOP the most cost effective for the beneficiary**
  - **When an agent is not carried on the MTF formulary**
    - **TMOP is the most cost effective choice for the DoD (FSS pricing)**
    - **Are you communicating with your patients on their choices and where to get the best value for their dollar and the DoDs?**

Generic Policy

- **“For a generic drug to receive an “A” rating from the U.S. FDA it must have the same efficacy, safety, and purity profile as its brand-name equivalent.**
- **Promoting the use of generics represents an important trend-management tool**
- **Generic drug costs average approximately $45 less than brand costs, and member copayments for generics average $10 less than brand copayments. (ESI Trend report)**
- **AARP study in fall 2002 found that 95% of respondents are familiar with generics (ESI Trend report)**
  - **65% of those think there is no difference between generic and brand**
- **Does utilization of generics at your MTF reflect that trend?**
  - **What are you promoting to your patients?**

Quantity Limits

- **Minimize waste and stockpiling**
- **Consistent with clinical dosing guidelines**
- **Minimize the overuse of medications that can be unsafe for the patient and cost to the government**
- **Example of common drug classes that have quantity limits**
  - **Erectile Dysfunction Agents**
  - **Inhalers and Nasal Sprays**
  - **Migraine Products**
  - **Patches**
  - **Vaginal Creams and Suppositories**
- **Are you utilizing the DoD quantity limits at your MTF?**
  - **Does someone deploying really need a 6 month supply of Levitra that exceeds the per month quantity limit?**

Prior Authorizations (PA)

- **PA ≠ MN**
- **PA program, approval is required before the drug is covered. Typically contingent upon one of the following:**
  - **Relevant clinical characteristic or risk factor (i.e. antifungal medications)**
  - **Documentation of a specific diagnosis (i.e. growth hormone, PDE-5 Inhibitors)**
  - **Participation in a wellness program (i.e. smoking cessation, anti-obesity medications)**

DoD Prior Authorizations

- **PDE-5 Inhibitor PA (lifetime of patient)**
- **Revatio (Sildenafil for the treatment of PPH) (lifetime of patient)**
- **DMARD PAs: Enbrel, Kineret, Remicade, Humira (lifetime of patient)**
- **Growth Hormone (Somatropin, somatrem) (good for a year)**
- **Fertility Medications (good for a year)**
- **Antifungals for the treatment of Onychomycosis (Penlac, Lamisil, Sporanox) (renewed with each treatment)**
- **Raptiva PA (lifetime of patient)**
- **Symlin PA (lifetime of patient)**

DoD Prior Authorizations

- **Does your MTF dispense these medications?**
  - **If yes, do you use the PA criteria established by the DoD P&T?**
    - **If this answer is no:**
      - **What is the impact to the other two points of service? (TMOP and TRRx)**
      - **How does this impact the beneficiary?**
        - » **Is this a uniform, consistent benefit?**

DoD Prior Authorizations

- **Brand Name Medications with Generic Equivalents**
  - **DoD policy to dispense the generic equivalent instead of the brand-name**
  - **Brand name is only dispensed by TMOP and TRRx contractor determines it is clinically required instead of use of generic.**
- **Does your MTF enforce the DoD mandatory generic policy?**

DoD Prior Authorizations

- **Medications with Age Limitations**
  - **Topical Tretinoin Products (e.g. Retin-A)**
    - **36 years of age or older – provide information that use of product is clinically required to treat a condition other than wrinkles, age spots or other cosmetic conditions related to normal ageing process.**
  - **Prenatal Vitamins**
    - **46 years of age and older – provide information that use is clinically required due to pregnancy.**
  - **Are these age limits in force at your MTF?**
- **Medications with limitations due to National Contract applying to TMOP and MTF POS.**
  - **Lipid-lowering medications (statins) – national contract for Zocor (simvastatin) as the preferred "high potency" statin in the TMOP and MTF.**
  - **How well is your MTF enforcing this National Contract?**

Medical Necessity

- **Non-Formulary medication on the Uniform Formulary can be provided at the formulary cost share if the provider provides information showing that there is medical necessity.**
- **MTFs will be able to fill non-formulary if both conditions are met:**
  - **1. MTF provider writes the prescription**
  - **2. MN is established for the non-formulary medication**
  - **MTFs may fill a non-formulary prescription written by a non-MTF provider to whom the patient was referred, as long as MN is established.**
  - **What are you doing at your MTF?**
- **Active duty: pay no cost shares, unless MN is established, they may not obtain non-formulary medications**

Medical Necessity

- **For MN to be established, one or more of five criteria must be met for ALL available formulary alternatives.**
- **General criteria established in the final rule**
- **These criteria are reviewed by DoD P&T Committee to determine if all apply**
- **A lot of work and discussion goes into the development of the final therapeutic class criteria and forms**
- **Are you using these at your MTF?**
  - **IF you are using them are you monitoring trends?**

Implementing Uniform Formulary Decisions in MTFs

- **DoD P&T**
  - **PEC conducts in-depth Clinical and Cost Analyses**
  - **Meets quarterly for 2.5 days**
  - **PEC develops forms and formulary resources for all three POS**
  - **Implementation of decisions**
- **MTF P&T**
  - **In-depth analyses not feasible for most MTFs**
  - **Meets monthly for 1 hour**
  - **Consists of more than just formulary review in that 1 hour: medication ADRs, errors and shortages, JCAHO, DURs, etc.**
  - **Preparation of materials and implementation of decisions**

Incorporating PEC resources into your formulary decisions will help MTFs make more infor

Local P&T Committee Scenarios

- **DoD P&T recommendations are signed off by the Director of TMA and MTF responds by:**
  - **Removing agents no longer on BCF**
  - **Adding agents placed on BCF**
  - **Removing items on formulary that are made non-formulary**
  - **No other action is taken after that.**
- **Provider comes to the meeting requesting an addition to the formulary. Little if any clinical analysis and cost is presented to the Committee.**
- **Rest of the meeting is spent on JCAHO and other monitoring issues.**

Local P&T Committee Scenarios

- **Formulary management**
  - **Look at DoD P&T Committee results and make BCF and non-formulary changes**
  - **Utilize PEC resources to help conduct local analyses to help make formulary decisions on the whole class**
- **Providers requesting new agent to formulary**
  - **Look at what is happening in the DoD**
  - **If new drug, obtain new drug monograph from PEC**
- **Rest of the meeting is spent on JCAHO and other monitoring issues**

Implementing the UF

- **Implemented one class at a time**
- **Health Affairs Policy 04-032**
  - **BCF remains, Extended Core Formulary (ECF) added**
  - **Established a more centralized management system**

Why?

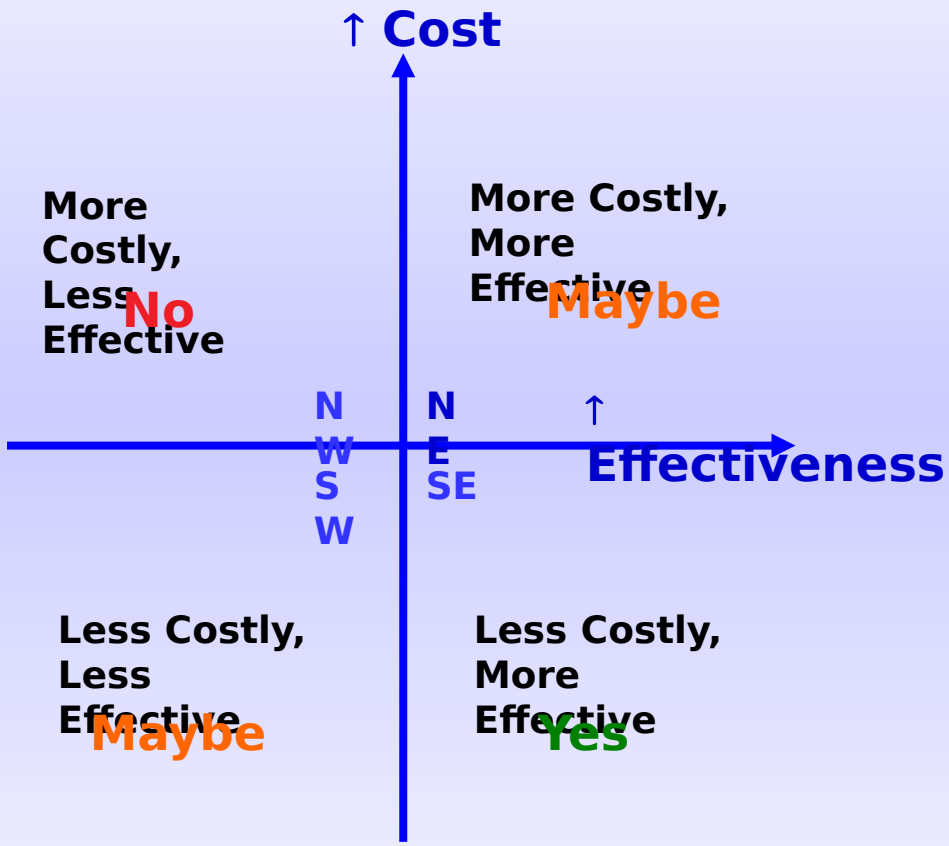
- **Formularies - restriction in the general availability of pharmaceuticals**
- **Where clinically sound, the system chooses to**
  - **Reduce choice**
  - **Reduce costs**
- **Why DoD-wide formulary management?**
  - **Uniform benefit**
  - **Increased standardization**
  - **Less patient hassle**

Determining Non-formulary (3rd tier) candidates

- **Clinical effectiveness (clinical utility)**
  - **Defined in rule**
  - **How a drug compares in its class**
- **Cost effectiveness**
  - **Defined in rule**
  - **Across MTFs, Mail Order & Retail Network**

Uniform Formulary (UF) Recommendations

- **Risk vs. benefit**
- **MTFs part of overall system**
- **Decision path**
  - **PEC recommends to DoD P&T**
  - **DoD P&T recommends to TMA director**
  - **BAP comments**
  - **TMA Director decides**



The Cost Effectiveness Plane

DoD Core Formularies

- **All drug classes will be designated as either**
  - **Basic Core Formulary class (generally primary care)**
  - **Extended Core Formulary class (all other classes, generally specialized care)**
- **Drugs are selected to the BCF / ECF because they provide greater value than other drugs on the Uniform Formulary**
- **Where clinically appropriate, MTFs should maximize the use of BCF and ECF drugs over other UF drugs**

MTF UF P&T Process

- **MTF Review of UF Class Decisions**
  - **Relative Clinical Effectiveness**
    - **Efficacy, Safety, Tolerability, Provider Opinion, Clinical Coverage**
  - **Relative Cost Effectiveness**
- **MTF Formulary Decisions**
  - **BCF: MUST add to MTF formulary**
  - **ECF: MUST have drugs in each ECF drug class that is included on the MTF formulary**
  - **ECF: MAY add to MTF formulary**
  - **UF: Consider additional agents to add to MTF formulary**
  - **NF: Can not have on MTF formulary, review utilization, implement a plan for patients on this agent to decide if they meet MN criteria or switch to a UF/MTF formulary agent (BCF/ECF agent preferred due to being the most cost effective in that class).**

MTF Resources

- **DoD P&T Committee minutes**
  - **Found on TMA Pharmacy website**
- **MTF Formulary Management documents**
  - **PEC website (PDF version)**
  - **RxNET (Word version)**
- **Class reviews and New drug monographs**
  - **RxNET – send these to your P&T members ahead of time**
- **Medical Necessity criteria and forms**
  - **TMA Pharmacy**
  - **TRICARE Formulary Search Tool**
  - **RxNET (Word versions)**

MTF Resources

- **Prior Authorization forms**
  - **TMA Pharmacy web site**
  - **Formulary Search Tool**
- **PACER reports**
- **Direct dialog (phone / email)**

Resources

- **HA Policy 04-032**
  - **www.ha.osd.mil/policies/2004/04-032.pdf**
- **UF BAP**
  - **www.tricare.osd.mil/bap/default.htm**
- **DoD P&T Committee Minutes**
  - **www.tricare.osd.mil/pharmacy/PT_Cmte/default.htm**
- **DoD P&T Committee Schedule**
  - **www.pec.ha.osd.mil/PT_Committee.htm**
- **Individual drug status**
  - **www.TricareFormularySearch.org**

Resources

- **PA Forms**
  - **www.tricare.osd.mil/pharmacy/prior_auth.cfm**
- **Medical Necessity Forms**
  - **www.tricare.osd.mil/pharmacy/medical-nonformualry.cfm**
- **Quantity Limits**
  - **www.tricare.osd.mil/pharmacy/quant_limits.cfm**
- **Beneficiary pharmacy benefit information**
  - **www.tricare.osd.mil/pharmacy/bene_info.cfm**
- **Upcoming UF Class Review Information for Manufacturers**
  - **www.tricare.osd.mil/ufbpa/**

MS-DMDs
Multiple Sclerosis Disease Modifying Drugs

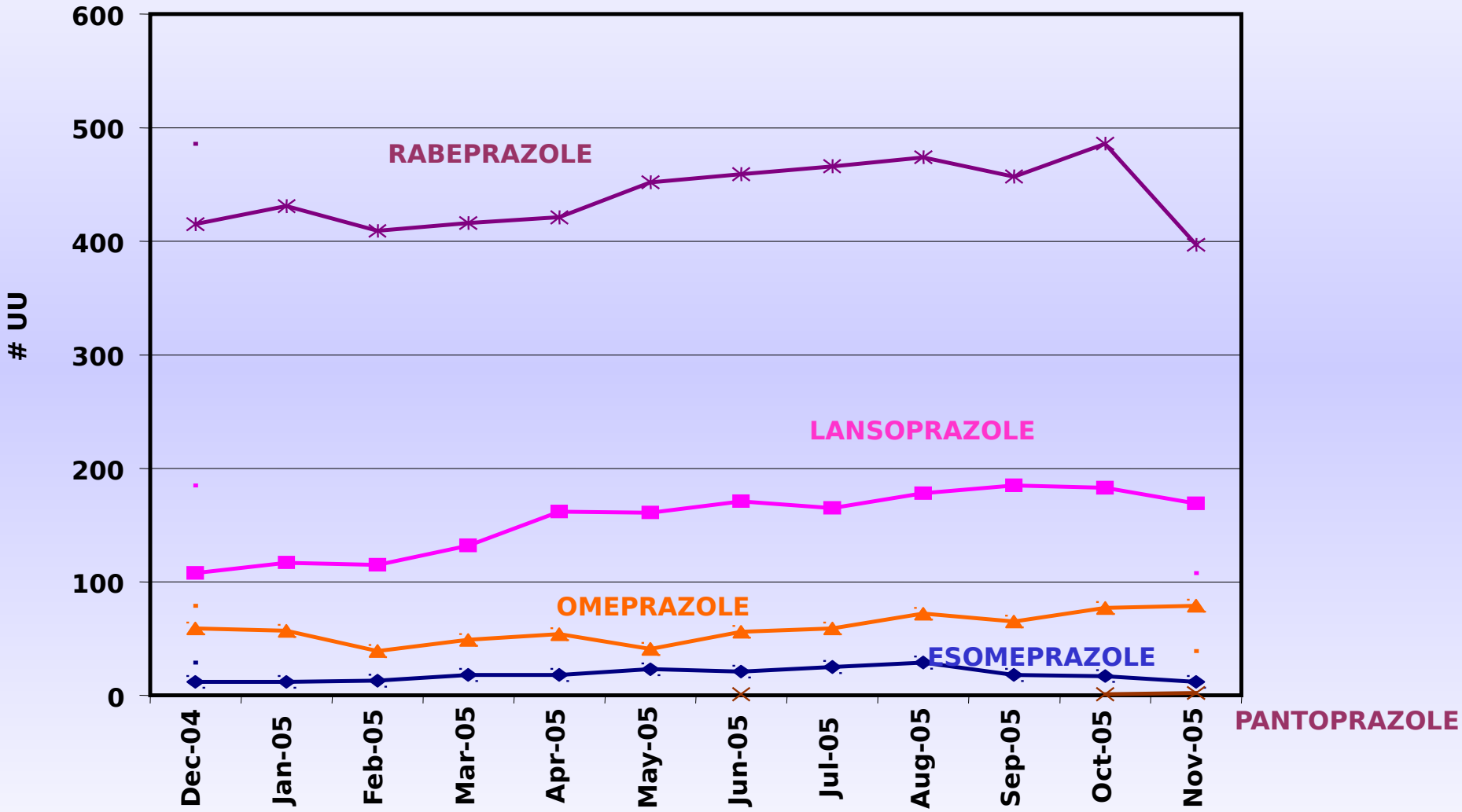
- **Effective date 14 July 05**
- **All medications in class added to UF**
  - **Interferon beta-1a (Avonex, Rebif), interferon beta 1b (Betaseron), glatiramer (Copaxone)**
- **Avonex added to ECF**
- **IF MTFs need a MS-DMD on formulary, they must have Avonex, but may have any or all of the others on formulary in addition to Avonex**

PPIs

Must have on formulary (BCF)	May have on formulary (Other UF)	Cannot have on formulary (Non-formulary or 3rd tier)
Omeprazole (10 & 20mg cap) **Rabeprazole**	**Lansoprazole** **Pantoprazole**	**Esomeprazole**

- Lansoprazole no longer BCF, now **$1/cap (~$18 mil)**. MTFs should maximize the use of the two most cost-effective PPIs, omeprazole or rabeprazole.
- Pantoprazole is the most cost effective PPI remaining on the UF if patients fail on Omeprazole and Rabeprazole.
- Compared at equivalent doses, one PPI works just as well as another. All PPIs have similar safety and tolerability profiles.
- Esomeprazole use should be restricted to patients who qualify for medical necessity established by DoD P&T Committee
- Effective Date: 17 July 2005

PPI Unique Utilizers
NH Jacksonville



Source: PDTS

PPIs

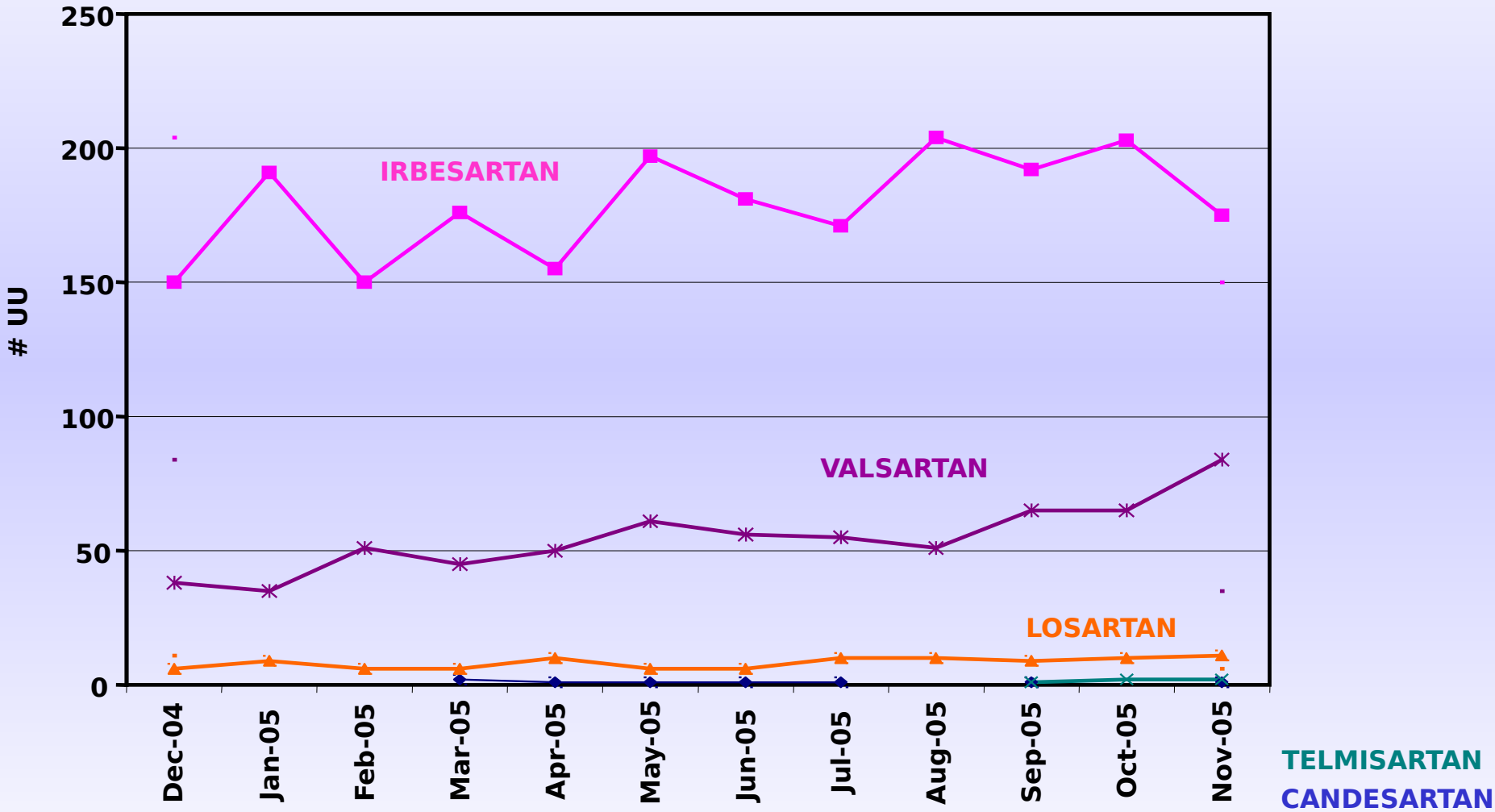
- **Considerations:**
  - **Removal of lansoprazole from the local formulary.**
  - **Addition of pantoprazole to the local formulary for those patients who fail therapy on rabeprazole and omeprazole.**
  - **Conversion of patients on lansoprazole to a BCF agent or pantoprazole.**

ARBs (including HCTZ combos)

Must have on formulary (BCF)	May have on formulary (Other UF)	Cannot have on formulary (Non-formulary or 3rd tier)
Telmisartan	**Candesartan, Irbesartan** **Losartan, Olmesartan** **Valsartan**	**Eprosartan**

- The BCF ACE inhibitors are **more** cost effective (~$0.12/day) for treating all disease states (hypertension, chronic heart failure, diabetic renal disease) than ARBs.
- ARBs should be considered **second line treatment** and reserved for patients intolerant of ACE inhibitors.
- Telmisartan is the most cost-effective ARB for HTN – about 30% less than the next costly ARB.
- MTFs should maximize the use of telmisartan in hypertensive patients who require an ARB because they are intolerant of ACE inhibitors.
- Effective date: 17 July 2005

ARB Unique Utilizers
NH Jacksonille



Source: PDTS

ARBs

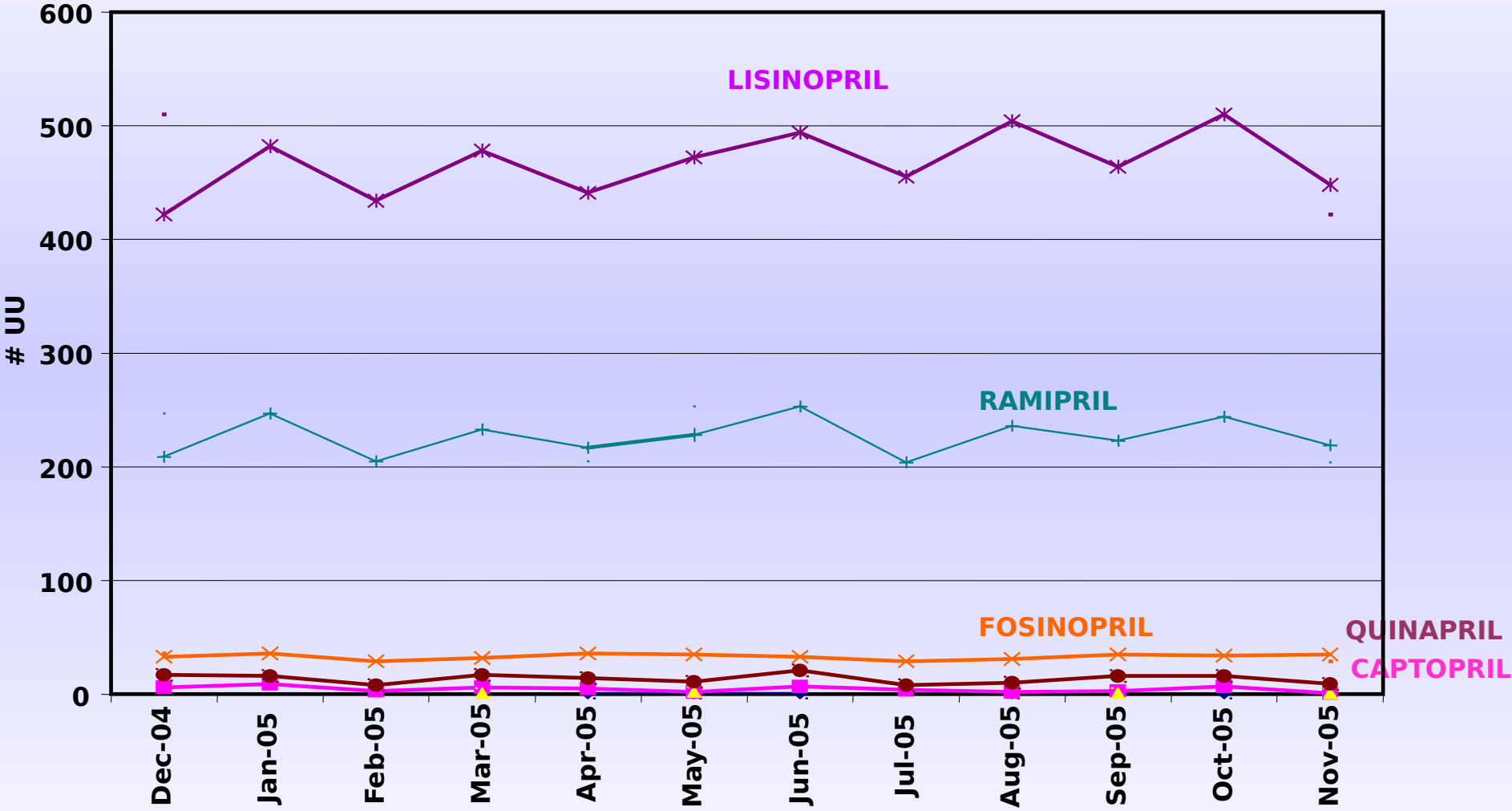
- **Considerations:**
  - **MTF formulary contains**
    - **Telmisartan: most cost effective ARB for hypertension at $0.38/day**
    - **Valsartan: cost effective ARB for heart failure at $0.56/day**
    - **Irbesartan: cost effective ARB for type 2 diabetic nephropathy at $0.56/day**
  - **Addition of HCTZ combinations for Valsartan and Irbesartan?**
  - **DUR to determine if each of these agents are being used for their most cost effective indication (i.e. telmisartan used for HTN; Valsartan and Irbesartan are utilized respectively for heart failure and type 2 diabetic nephropathy only**

ACEs (including HCTZ combos)

Must have on formulary (BCF)	May have on formulary (Other UF)	Cannot have on formulary (Non-formulary or 3rd tier)
Lisinopril **Captopril**	**Benazapril, Enalapril, Fosinopril, Trandolapril**	**Moexipril, Quinipril, Perindopril, Ramipril**

- Considered first-line therapy for hypertension in patients with heart failure, history of MI, diabetes, or who are at high risk for cardiovascular events
- Efficacy trials in hypertension have shown that one ACE works just as well as another, when titrated to effect
- Mortality data for captopril, lisinopril, enalapril or trandolapril in patients with heart failure or those with a history of MI just like ramipril
- Effective Date: 15 February 2006

ACE Inhibitor Unique Utilizers
NH Jacksonville



Source: PDTS

ACEs (including HCTZ combos)

- **Need to add Lisinopril/HCTZ (Prinzide) combination to formulary list**
- **Considerations**
  - **Does Fosinopril (Monopril) need to be on local formulary at $0.43/day?**
  - **Plan to switch patients on non-formulary agents to formulary agents that do not meet Medical Necessity Criteria**

Other MTF Formulary Management Tools: Formulary Notification

- **If there is no beneficiary communication then the member will not appreciate the generosity of the plan.**
- **Formulary notifications are a practical and effective strategy to increase formulary adherence when drugs are moved to a non-formulary status.**
- **Letters alert members of future changes and encourage them to participate in drug therapy decisions**
- **Formulary notification letters to beneficiaries**
  - **Explain the change in formulary status**
  - **List alternative drugs at MTF, TMOP, and TRRx**
  - **Identify the costs associated with those alternatives**
- **Studies have shown that members who received a letter were 1.4 times more likely to switch to the formulary alternative**

Other MTF Formulary Management Tools: Formulary Notification

- **Provider notification of formulary status and general price range of medications.**
  - **Prices of brand drugs are underestimated while prices of generics are overestimated**
  - **According to 1 study, 65% of physicians responding to a survey were not aware of the general price range for 50 commonly prescribed medications.**
  - **Who should send the message?**
  - **What should the message contain? Clinical as well as cost information.**
- **Educate and empower your pharmacy staff to educate providers and patients**

Other MTF Formulary Management Tools

- **Non-Formulary Drug Use Monitoring**
  - **UF Non-Formulary Drug Use Monitoring**
    - **Monitor Quarterly**
      - **# requests**
      - **# denials**
      - **Reason for approval and denial**
      - **Provider and pharmacist**
  - **MTF Non-Formulary Drug Use Monitoring**
  - **Take this DUR back to your P&T Committee and evaluate for education opportunities and improvements**

Other MTF Formulary Management Tools

- **Step Therapy**
  - **A frequently used trend mgt tool**
  - **Economic, clinical, and member impact well-understood**
  - **Chooses more cost effective drugs over more expensive therapies**
    - **Step one drug – economical alternatives**
    - **Step two drugs – allowed after trying step 1 drugs after a specified trial period**
    - **Example PPIs: Tried a step one drug (like generic omeprazole for 30 days failed and then move to next cost effective PPI. Omeprazole – Rabeprzole – pantoprazole – lansoprazole**

Other MTF Formulary Management Tools

- **What other tools would you like to have in your tool belt?**
  - **PACER REPORTS – EXPAND THEM**
  - **CLINICAL SUMMARY SLIDES PRESENTED AT DOD P&T COMMITTEE MEETING**
  - **BENEFICIARY FORMULARY NOTIFICATION LETTER TEMPLATE**
  - **OTHERS?**